

**CalWORKs and FOOD STAMPS DATA SYSTEMS DESIGN
TASKFORCE
Systems Maintenance Unit (SMU)**

TRANSMITTAL NUMBER: 02-02 (FS)

April 30, 2002

TO: All Field Operations Bureau and Performance
Measurement Counties QC Staff

SUBJECT/PURPOSE: Vehicle Valuation Methodology

RELATED REFERENCE: ACL 01-24; ACINs I-49-01 and I-17-02; Transmittal 02-01
(FS)

SUPERSEDES: None

EFFECTIVE DATE: June 2001 Sample Month or Next Recertification

BACKGROUND:

On November 21, 2000, the Food and Nutrition Service (FNS) published its final rule implementing provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and related amendments. These provisions contain changes relative to the valuation and exclusion of vehicles from resource consideration. California implemented these provisions via the All-County Letter and All-County Information Notices listed above in the RELATED REFERENCES.

The vehicle valuation methodology has been changed so that vehicles with an equity value of \$1,500 or less are now considered to be inaccessible resources. The exemption is allowed for one vehicle for each adult household member and for any other licensed vehicle driven by a household member under age 18 to go to work, school, or job training, or to look for work. Thus, the new process for determining the value of a household's vehicles is:

- First, determine if any licensed vehicles are excludable per the list of exclusions in M.S. 63-501.521.
- Second, exclude any vehicle (licensed or unlicensed) that is an inaccessible resource.
- Third, for the remaining licensed vehicles, determine the number of adult household members and household members under age 18 and exclude one vehicle from equity valuation for each person. (Remember the teen exclusion criteria.) Count any fair market value (FMV) in excess of \$4,650.

- Fourth, for licensed vehicles, compare the excess FMV and equity values for each and use the greater of the two values in the resource determination. (If the vehicle is unlicensed, use the equity value.) See ACL 01-24 and ACIN I-17-02 for valuation examples.

This change is effective June 1, 2001 for applicant households and no later than the next recertification for recipient households..

INSTRUCTIONS:

Use the new vehicle valuation methodology as appropriate to determine if the household is within resource limits. Cite any variances in Class 222i. Reference in the Class Comments and include in the case folder the verification used to determine that the equity value of the vehicle is \$1,500 or less. If the vehicle is equity exempt because of the teen exclusion, cross reference the class reflecting the activity, such as 111 for student status.

When coding item 222i-005 (Reason for Exclusion), use code 4 (Registered School/Employment/Training). If the vehicle is excluded because of the teen exemption use code 2 (Inaccessible Resource) when the exemption is due to the low equity value of the vehicle.

NEGATIVE SAMPLE CASES:

When the application is denied or the household is terminated for exceeding resource limits, check the case record to determine if the new valuation methodology and exclusions should have been applied. If the provisions should have been applied or were applied incorrectly, recalculate the household's resource amount. Code item 782-0003 (Validity of Recorded Reason) code 2 (Invalid) and note in the class comments that the methodology and exclusions should have been applied, if appropriate. In making your determination, remember that the county is not REQUIRED to use this methodology until the next certification if this is a termination.

HOLD HARMLESS PERIOD

The variance exclusion period for errors related to this change is from June 1 to September 29. See transmittal 02-01 (FS) for a detailed explanation of this concept and its impact on case review procedures.

INQUIRIES: **Michael Bowman-Jones,**
 Program Analyst

Original signed by Joeana Carpenter
JOEANA CARPENTER, CHIEF
CalWORKs and Food Stamps Data Systems
Design Taskforce